

FLETCHER & SIPPEL LLC

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RECORDATION NO. 27472 FILED

APR 23 '08

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SURFACE TRANSPORTATION BOARD



April 22, 2008

Ms. Anne K. Quinlan, Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001
Attn: Office of Recordations

Dear Secretary Quinlan:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are an original and two (2) copies of a Memorandum of Loan and Security Agreement, dated as of February 13, 2008, a primary document as defined in the Board's Rules for the Recordation of Documents, and an original and two copies of an Assignment of Rents and Lessor's Interest In Leases, dated as of February 13, 2008, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed documents are:

Primary: Memorandum of Loan and Security Agreement

| | |
|----------------|--|
| Debtor: | Titan Rail, Inc. 1 East Merchants Drive Oswego, Illinois 60453 |
| Secured Party: | Fifth Third Bank 222 South Riverside, 32 nd Floor Chicago, Illinois 60606 |

Secondary: Assignment of Rents and Lessor's Interest in Leases

| | |
|-----------|--|
| Assignor: | Titan Rail, Inc. 1 East Merchants Drive Oswego, Illinois 60453 |
| Assignee: | Fifth Third Bank 222 South Riverside, 32 nd Floor Chicago, Illinois 60606 |

FLETCHER & SIPPEL LLC

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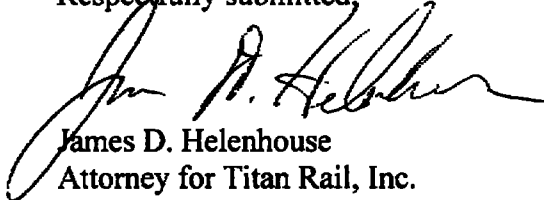
Included in the property covered by the aforesaid Memorandum of Loan and Security Agreement and Assignment of Rents and Lessor's Interest in Leases are locomotives intended for use related to interstate commerce, or interest therein owned by Titan Transit, Inc. as identified herein as of the date of said agreements and locomotives **thereafter acquired** by it or its successors as owners of the property covered by the agreements.

A description of the railroad equipment is attached as Exhibit A to each of the documents and includes locomotives with the reporting numbers TANX 1215 and TANX 1251.

Enclosed is a check in the amount of \$70.00 payable to the order of the Surface Transportation Board for the recordation of these documents.

Kindly return one stamped copy of each of the enclosed documents to the undersigned.

Respectfully submitted,



James D. Helenhouse
Attorney for Titan Rail, Inc.

Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF
LOAN AND SECURITY AGREEMENT

THIS MEMORANDUM OF LOAN AND SECURITY AGREEMENT effective as of February 13, 2008 (this "Memorandum") is entered into by and between TITAN RAIL, INC., a Delaware corporation ("Titan Rail" or "Borrower"), whose address is 1 East Merchants Drive, Oswego, Illinois 60543 and FIFTH THIRD BANK (CHICAGO), a Michigan banking corporation, whose address is 222 South Riverside Plaza, 32nd Floor, Chicago, Illinois (the "Bank").

WITNESSETH:

WHEREAS, TITAN TRANSIT, INC. and Bank entered into a Loan and Security Agreement dated as of March 31, 2006, and recorded with the STB on April 17, 2006 as STB Recordation No. 26304 (the "Loan Agreement").

WHEREAS, the Loan Agreement has been restated and amended from time to time.

WHEREAS, Titan Rail and the Bank have entered into a Joinder Agreement, dated February 13, 2008, whereby Titan Rail agreed to be bound by the obligations and liabilities of the Loan Agreement, as amended pursuant to an Amended and Restated Loan and Security Agreement dated as of August 10, 2006, which was further amended pursuant to a First Amendment to Amended and Restated Loan and Security Agreement and Waiver dated as of February 15, 2007 and a Second Amendment to Amended and Restated Loan and Security Agreement dated as of May 9, 2007 and a Third Amendment to Amended and Restated Loan and Security Agreement dated as of February 13, 2008. between TITAN TRANSIT, INC., a Delaware corporation and the Bank.

WHEREAS, Titan Rail and Bank wish to obligate Titan Rail under the Loan Agreement and the amendments thereto and restatements thereof.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements hereinafter set forth,

IT IS AGREED AS FOLLOWS:

1. Pursuant to the terms of the Joinder Agreement, the Loan Agreement, an Amended and Restated Loan and Security Agreement dated as of August 10, 2006, which was further amended pursuant to a First Amendment to Amended and Restated Loan and Security Agreement and Waiver dated as of February 15, 2007 and a Second Amendment to Amended and Restated Loan and Security Agreement dated as of May 9, 2007 and a Third Amendment to Amended and Restated Loan and Security Agreement dated as of February 13, 2008, between TITAN TRANSIT, INC., a Delaware corporation and the Bank, and to secure the payment and performance of any and all of Borrower's obligations to the Bank, Borrower granted to the Bank a continuing, first priority security interest in and to, and chattel mortgage lien on, all of the Borrower's right, title and interest in and to the Locomotives, specifically identified on Exhibit A attached hereto and made a part hereof and any Locomotives acquired by Borrower subsequent

to February 13, 2008, to have and to hold all and every part of the Locomotives unto the Bank, its successors and assigns, for its and their own use and benefit forever.

IN WITNESS WHEREOF, the undersigned has caused this Memorandum to be duly executed and delivered.

TITAN RAIL, INC., a Delaware corporation

By: Carmen Pappalardo, CFO
Name: Carmen Pappalardo
Title: Chief Financial Officer

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 7 day of April, 2008, before me, a Notary Public of the County and State aforesaid, personally appeared Carmen Pappalardo to me personally known, who being by me duly sworn, says that he is the Chief Financial Officer of Titan Rail, Inc., a Delaware corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

K J Bachman 7-Apr-08
Notary Public

My Commission Expires:

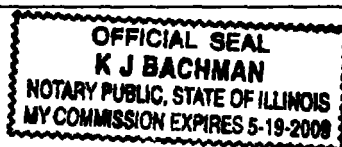


EXHIBIT A
LIST OF LOCOMOTIVES

Model Description

TANX 1215

TANX 1251